



[Constituted in the Republic of Singapore
pursuant to trust deed dated 9 October 2002 (as amended)]

ANNOUNCEMENT IN COMPLIANCE WITH RULE 905 OF THE LISTING MANUAL

1. BACKGROUND

Under Rule 905(1) and 905(2) of the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), an issuer is required to make an immediate announcement of the latest transaction and all future transactions entered into with an interested party if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets ("**NTA**").

Rule 905(1) and 905(2) does not apply to any transaction below \$100,000.

Based on the A-REIT Audited Financial Statements, the NTA of A-REIT was approximately S\$3,291.7 million as at 31 March 2011, and 3% of the NTA is approximately S\$98.75 million. The total value of all interested person transactions entered into by A-REIT with Jurong Town Corporation, Ascendas Pte Ltd and its associates in the current financial year commencing 1 April 2011 up to the date of this announcement is approximately S\$183.0 million which exceeds the 3% of A-REIT's NTA. The total value of all interested person transactions includes S\$136.4 m relating to the acquisition of land from JTC.

INTRODUCTION

The Board of Directors of Ascendas Funds Management (S) Limited, as Manager A-REIT wishes to announce that HSBC institutional Trust Services (Singapore) Limited, in its capacity as the Trustee ("**Trustee**") of A-REIT has entered into the following transactions with Ascendas Services Pte Ltd ("**ASPL**" or the "**Property Manager**") for certain property management services (the "**Property Management Services**") for its properties:

- a) Extension of the existing facility management services as stated in the Facility Management Agreement ("**Facility Management Agreement**") for PSB Science Park Building (the "**Premises**"). A Facility Management Fee ("**Facility Management Fee**") of approximately S\$0.5 million is payable to ASPL for the general maintenance of the common compound of the Premises for a period of twenty-four months. The monthly Facility Management Fee is about S\$21,000.
- b) Extension of the existing License Agreements ("**License Agreements**") with ASPL for the provision of car park operation and management services where the Property Manager will pay AREIT a fixed licence fee for the operation of the car parks at 3 Changi Business Park Crescent, TechPlace 2 and Techpoint (collectively, the "**Properties A**"). A total Car Park Licence Fee Income ("**Car Park License Fee**")

Income) of approximately S\$0.7 million is payable by ASPL to A-REIT for the rights granted to ASPL for the management and operation of the above mentioned car parks located at the Properties A.

- c) The said car park License Agreements with ASPL for the provision of car park operation and management services is extended to include newly acquired buildings at 3 Changi Business Park Vista and Corporation Place (collectively, the “**Properties B**”). A total Car Park Licence Fee Income of approximately S\$0.2 million is payable by ASPL to A-REIT for the rights granted to ASPL for the management and operation of the car parks located at the Properties B .

The License Agreements are due for renewal in July 2012.

1.1 Disclosure Requirements under the Listing Manual and the Property Funds Appendix

Ascendas Services Pte Ltd, as a wholly-owned subsidiary of Ascendas Pte Ltd, is deemed to be an interested person / party of A-REIT.

As at the date of this announcement, Ascendas Pte Ltd holds an aggregate deemed interest of 395,867,641 units in A-REIT (“**Units**”) through the Units held by Ascendas Land (Singapore) Pte Ltd and the Manager, which is equivalent to 19.01% of the total number of Units currently in issue.

Therefore, these transactions pertaining to Ascendas Services Pte Ltd for the Property Management Services will constitute an “interested person transaction” for the purposes under Chapter 9 of the Listing Manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and an “interested party transaction” for the purposes under Appendix 6: Investment: Property Funds of the Code on Collective Investment Schemes (the “Appendix 6: Investment: **Property Funds**”).

2. INFORMATION ON THE PROPERTY MANAGEMENT SERVICES AND THE PROPERTY MANAGER

The initial License Agreement was entered into in February 2005 between the Trustee and ASPL for the provision of car park operation and management services where the Property Manager will pay A-REIT a fixed licence fee in return for the rights to manage and operate the car parks in A-REIT’s portfolio. The License Agreements has been extended to include existing and new properties within A-REIT.

The PSB Science Park Building was a sale-and-leaseback acquisition completed on 18 November 2005. As it is not a multi-tenanted building and the maintenance of the building was undertaken by the tenant, property management services were not required and as such it does not fall under the Master Property Management Agreement. However, at the request of the tenant, facility management for the external compound was included as part of the lease arrangement. Therefore, a Facility Management Agreement was entered into upon completion of the acquisition of PSB Science Park Building with ASPL for the provision of facility management services for the Premises.

The scope of the Facility Management Agreement includes:

- 1) General cleaning of the roads and drains
- 2) Monthly maintenance of landscape area
- 3) Pest control by way of monthly fumigation, including oiling
- 4) Utilities for landscape watering and street lighting within the common compound of the Premises
- 5) Security services
- 6) Sewer line cleaning

The Manager is making this announcement as these transactions are above the \$100,000 threshold and exceeds 3% of the group's latest NTA when aggregated with all transactions entered into with the same interested person during the same financial year.

3. RATIONALE OF THE PROPERTY MANAGEMENT SERVICES AND THE PROPERTY MANAGER

The License Agreements for Properties A are an extension of the existing License Agreements so as to have a same termination / renewal date with the rest of the properties in the portfolio under similar arrangements. The Manager had evaluated the License Agreements submitted by ASPL. Market comparison on the fees and terms and conditions of the License Agreement were made and the Manager found the License Agreement to be comparable to the market. The License Agreements are due for renewal in July 2012.

The Facility Management Agreement is a continuation of the existing arrangement for the Premises.

4. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Manager (which comprises four independent directors of the Manager) is of the view that the appointment of the Property Manager to provide services under the Facility Management Agreement and Licence Agreements is based on normal commercial terms and is not prejudicial to the interests of A-REIT and its minority Unitholders.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the date of this announcement, none of the directors of the Manager is a director of Ascendas Services Pte Ltd. Save for Ms Chong Siak Ching who is a non-executive Director of the Manager and also the President and Chief Executive Officer and a director of Ascendas Pte Ltd. As at the date of this announcement, Ms Chong has an aggregate direct and indirect interest of 357,000 Units in A-REIT. Ascendas Pte Ltd has an aggregate indirect interest of 395,867,641 Units, through the Units held by Ascendas

Land (Singapore) Pte Ltd and the Manager. Save as disclosed above, and based on the information available to the Manager as at the date of this announcement, none of the directors of the Manager or substantial Unitholders have an interest in the appointment of the Property Management Services.

BY ORDER OF THE BOARD
ASCENDAS FUNDS MANAGEMENT (S) LIMITED
(Company Registration No. 200201987K)

Mary J De Souza
Company Secretary
10 February 2012

Important Notice

The value of A-REIT's Units (the "Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of A-REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.